

Message Text

CONFIDENTIAL

PAGE 01 BAGHDA 00029 141135Z

12

ACTION EB-07

INFO OCT-01 EUR-12 NEA-09 ISO-00 FEA-01 AEC-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01

SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 /091 W

----- 020784

R 111038Z JAN 75

FM USINT BAGHDAD

TO SECSTATE WASHDC 1531

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY BRUSSELS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

C O N F I D E N T I A L BAGHDAD 0029

KUWAIT PASS DOHA

E.O. 11652: GDS

TAGS: ENRG, IZ

SUBJECT: BPC NEGOTIATIONS WITH IRAQ

REF: BAGHDAD 004

1. BPC TEAM HEADED BY MANAGING DIRECTOR GEOFFREY STOCKWELL
AND INCLUDING TONY MILLER OF SHELL, H. E. NORTON OF BP, AND
ANDY ENSOR OF NEDC (EXXON AND MOBIL), BEGAN NEGOTIATIONS
WITH GOI JANUARY 5. AFTER SHORT MEETING WITH NEW OIL
MINISTER ABDUL KARIM, NEGOTIATIONS BEGAN WITH IRAQI SIDE
HEADED BY UNDER SECRETARY FADHIL CHALABI. THIS UNFORTUNATE
FROM BPC VIEWPOINT SINCE CHALABI HAS SPECIFIC NEGOTIATING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BAGHDA 00029 141135Z

INSTRUCTIONS AND CLEARLY MUST "GO UPSTAIRS" WHENEVER IMPOR-

TANT NEW POINT RAISED. AMERICAN REP ENSOR HAS BEEN ACCEPTED AS LEGITIMATE MEMBER OF TEAM TO DISCUSS COMPENSATION FOR NATIONALIZATION OF NEDC.

2. MAJOR ISSUE IS SETTLEMENT OF CLAIMS, COUNTERCLAIMS, OIL PAYMENTS, TAXES, ETC. FROM MARCH 1, 1973 TO DECEMBER 31, 1974. THERE IS APPARENT AGREEMENT NOT TO TALK ABOUT FUTURE, BOTH SIDES RECOGNIZING SIGNIFICANCE OF SAUDI-ARAMCO NEGOTIATIONS
INITIAL IRAQI POSITION IS THAT BPC WRITE LETTER TO GOI SPELLING OUT BY CATEGORY AMOUNT OWED TO GOI FOR THIS 22 MONTH PERIOD WHICH, BY IRAQI RECKONING, IS ABOUT 500 MILLION DOLLARS. BPC CLAIMS AGAINST GOI WOULD NOT BE MENTIONED IN THE LETTER, BUT WOULD BE DEDUCTED FROM AMOUNT OWED. BPC ESTIMATES THEIR TOTAL CLAIMS AT ROUGHLY 250 MILLION DOLLARS.

3. THERE ARE SERIES OF COMPLEX QUESTIONS AND CALCULATIONS TO BE DECIDED BEFORE TOTAL AMOUNTS CAN BE AGREED UPON:
E. G. WHETHER 60-40 PARTICIPATION FORMULA EFFECTIVE JANUARY 1, 1974 TO BE APPLIED TO 100 PERCENT OR ONLY BPC'S 57 PERCENT; BPC REPAYMENT FOR INOC OIL LIFTED IN AUGUST-OCTOBER; AND WHETHER AND WHEN INOC IS GOING TO PAY ITS SHARE OF BPC EXPANSION PROGRAM. AS REUSLT, NEGOTIATIONS LIKELY TO TAKE SOME TIME. BPC TEAM NOW PLANNING TO DEPART JAN 11 AND RETURN IN ABOUT 10 DAYS.

4. SUBJECT OF FORMULA FOR COMPENSATING NEDC HAS NOT COME UP YET.
LOWRIE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BAGHDA00029
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750013-1072
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750160/aaaacahq.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BAGHDAD 004
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by MartinML>; APPROVED <17 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BPC NEGOTIATIONS WITH IRAQ
TAGS: ENRG, IZ
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006